

Section 1115 Demonstration Amendment

**Iowa Wellness Plan
Project #11-W-00289/5**

**State of Iowa
Department of Human Services**

Submitted _____, 2018

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Overview

On January 1, 2014, the State of Iowa (State) implemented the Iowa Health and Wellness Plan (IHAWP) Section 1115 demonstration. The demonstration provides access to healthcare for uninsured, low-income Iowans, while implementing a benefit design intended to address liabilities associated with simply expanding the number of enrollees in traditional Medicaid coverage. The IHAWP's design seeks to improve outcomes, increase personal responsibility, and ultimately lower costs, while supporting a population that may be new to full healthcare coverage. Through a unique incentive program, the IHAWP promotes responsible health care decisions by coupling a monthly required financial contribution with an incentive plan for members to actively seek preventive health services to earn an exemption from the monthly contribution requirement. The Centers for Medicaid and Medicare Services (CMS) approved extension of the demonstration for an additional three years effective January 1, 2017.

On May 1, 2014, CMS approved the State's request to amend the IHAWP to provide tiered dental benefits through the Dental Wellness Plan (DWP). On July 27, 2017, CMS approved an amendment which modified the DWP structure to implement an integrated dental program for all Medicaid enrollees aged 19 and over. The redesigned DWP incorporates an innovative incentive structure to improve oral health by encouraging utilization of preventive dental services and compliance with treatment plans.

On October 26, 2017, CMS approved the State's request to further amend the IHAWP to include a waiver of retroactivity for all Iowa Medicaid eligibility groups that had previously been receiving three months of retroactive benefits, with the exception of pregnant women (and during the 60-day period beginning on the last day of the pregnancy) and infants under one year of age, effective for new applications filed on or after November 1, 2017.

The State now seeks CMS' approval to further amend the State's current 1115 demonstration to reinstate a 3-month retroactive Medicaid coverage benefit for applicants who are residents of a nursing facility at the time of application and are otherwise Medicaid-eligible, effective July 1, 2018, for new Medicaid applications filed on or after the first of the month following approval of the waiver amendment by CMS. This amendment is consistent with legislation passed by the Iowa Legislature during the 2018 session.

Discussion

Consistent with Section 1902(a)(34) of the Social Security Act, upon an individual being determined eligible for Medicaid, the State previously provided such benefits retroactively for three months prior to the month in which the individual's application was filed. As discussed above, the State amended this policy in 2017 consistent with state legislation and in alignment with the policy that was ultimately approved by CMS. Due to the unique concerns and needs of the nursing facility population, and consistent with Iowa Senate File 2418 (2018), the State's requests to reinstate the 3-month retroactive Medicaid coverage benefit for applicants who are otherwise-eligible and who are residents of a nursing facility at the time of application. This amendment is consistent with the goals of the Medicaid program as the State is requesting to reinstate a benefit that would otherwise be required in the absence of CMS' approval of a waiver of Section 1902(a)(34) of the Social Security Act.

Amendment Overview

Through this amendment, the State will reinstate the provision of three months of retroactive Medicaid benefits for applicants who are residents of a nursing facility at the time of application and are otherwise Medicaid-eligible. On July 1, 2018, the State will reinstate a policy whereby these applicants' Medicaid coverage will begin consistent with the requirements of Section 1902(a)(34) of the Social Security Act.

Title XIX Waiver Request

The State proposes to amend the existing Iowa Wellness Plan Title XIX waiver of retroactivity as follows and requests to continue all other currently approved waivers:

1. Retroactivity

Section 1902(a)(34)

To enable the state not to provide three months of retroactive eligibility coverage for state plan populations. The waiver of retroactive eligibility does not apply to pregnant women (and during the 60-day period beginning on the last day of the pregnancy), infants under one year of age, and residents of nursing facilities at the time of application.

Amendment Process Required Elements

Public Notice

The State provided the public the opportunity to review and provide input on this amendment in accordance with the requirements set forth in the Iowa Wellness Plan Demonstration (11-W-00289/5) special terms and conditions (STCs). Public notice was provided on July 23, 2018. A copy of the public notice is contained in Attachment A. This notice, the waiver amendment, and other documentation regarding the proposal were posted at: <https://dhs.iowa.gov/public-notice/retro-eligibility-nf> and non-electronic copies were made available for review at Iowa Department of Human Services (DHS) Field Offices. Additional notice was also provided via the Iowa Medicaid e-News, which was sent to more than 4,100 stakeholders on [INSERT DATE], 2018. In addition, a summary notice was published in several newspapers with statewide circulation. The notice provided the option for any individual to submit written feedback to the State by email or by USPS mail. Comments were accepted via email and a physical address was provided for written comments to be submitted by mail or in person.

In addition, the State held two public hearings to offer an opportunity for the public to provide written or verbal comments on the amendment. Hearings were held on:

August 6, 2018 11:00-12:00 PM Aalfs Downtown Library Gleeson Room 529 Pierce Street Sioux City, IA 51101	August 9, 2018 11:30-12:30 PM Iowa State Capitol Building Senate Room 116 1007 East Grand Avenue Des Moines, IA 50319 Call: 1-866-685-1580 Code: 515-725-1031
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Toll free conference call capabilities were made available at the August 9, 2018 hearing to accommodate interested parties who were unable to attend a hearing in person. The public comment period ended on August 22, 2018.

Tribal Notice

The State initiated consultation with Iowa's federally recognized Indian tribes, Indian health programs, and urban Indian health organizations on [INSERT DATE], 2018. Consultation was conducted in accordance with the process outlined in Iowa's Medicaid State Plan, and consisted of a phone call to the State of Iowa's Indian Health Services Liaison followed by electronic notice directed to Indian Health Service/Tribal/Urban Indian Health (I/T/U) Tribal Leaders and Tribal Medical Directors identified by the Iowa Indian Health Services Liaison. A copy of the tribal notice is contained in Attachment B.

Budget Neutrality Impact

Budget neutrality is not applicable to this amendment request as this amendment is unlikely to result in any increase in federal Medicaid expenditures and no expenditure authorities are associated with this amendment.

CHIP Allotment

This requirement is not applicable to this amendment request, as the amendment does not make any changes to the CHIP program.

Evaluation

The State does not propose any modifications to the current evaluation plan as a result of this amendment.

Conclusion

In an effort to ensure continuous improvement of the Iowa Medicaid program and the IHAWP demonstration, the State respectfully seeks to reinstate a 3-month retroactive Medicaid coverage benefit for applicants who are otherwise-eligible and who are residents of a nursing facility. This amendment is consistent with the goals of the Medicaid program as the State is requesting to reinstate a benefit that would otherwise be required in the absence of CMS' approval of a waiver of 1902(a)(34) of the Social Security Act.

Attachment A – Public Notice

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Attachment B – Tribal Notice

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